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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #06206-85/1
20 December 1985

MEMORANDUM FOR: Distribution

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: Special Interagency Philippine Analytic Group Meeting

1. Representatives of the Intelligence Community met on 18 December to consider the attached subjects.

2. Next month's Special Interagency Philippine Analytic Group Meeting will be held on 22 January 1986 at 1500 hours in Room 7E62, CIA Headquarters. Recommendations for discussion topics should be forwarded to this office by COB 6 January 1986.

3. It is essential that you telephone your attendance intentions to [redacted] and have your clearances verified to us by your security office by COB 20 January 1986. Attendees from outside agencies are advised to arrive early to avoid parking problems created by construction work. For your convenience, please enter the compound through Gate 1, the Route 123 entrance.

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Attachment

18 December 1985 Special Interagency Philippine
Analytic Group Report

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MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: 18 December 1985 Special Interagency Philippine Analytic
Group Meeting

The Outlook for 1986

[] DIA, reviewed prospects in the Philippines for the upcoming year. They are likely to be bad for the United States, but good for the communists. He believes that the election will be held, but that they will not likely enhance stability, particularly if they are viewed as being fraudulent, which they almost certainly will be. Widespread perceptions of fraud will likely result in more demonstrations and disturbances; if they become massive, there is a chance Marcos could fall from power, even if he won the election.

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The communists will gain in 1986 because the military will be busily involved in the elections, and if Marcos wins, they can capitalize on the issue of fraud and the public perception that the economic situation will continue to deteriorate. The communists are likely to be cautious, but in the event the situation seemed to be moving in their favor, they might mount a strategic offensive to capture one or two provincial capitals.

The prospects are that Marcos will win the elections and there will be further polarization in society; how quickly this occurs and how destabilizing it will be depends on to what degree the perception of fraud gains public acceptance. Whatever the outcome, the prospects do not appear to be favorable for US interests.

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The Elections

[] OEA, discussed election developments. In the opening stages the opposition appears to be very vigorous, but Marcos is waging a lackluster campaign. In fact, Marcos' failure to do some of the things that have to be done for him to win, such as making payments to KBL leaders, cause some [] to believe that he really doesn't plan to go through with the elections. The Supreme Court decision on challenges will be a good indication of his intentions.

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A cancellation of the elections would have some benefits. By 1987 Marcos could [] feel too much pressure not to run, the opposition would be stronger, and the polarization likely to be produced by this 1986 election would be mitigated. Marcos called the snap elections to try to get the US off his back, and to reassert his control of the situation. A new six year term for him will show his strength, but there well could be a continuing deterioration in the countryside.

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A general discussion of the prospects for the elections ensued. [] OEA, [] pointed out that Marcos remains very popular in the rural areas; many people have not heard of Aquino and think Marcos--though he has a bad wife and bad advisors--is the best President the Philippines has had. Consequently, his ability to get votes in the countryside should not be underestimated. It was also pointed out that, contrary to some press reports, there is no solid evidence of an unusual fund transfers out of the Philippines by the first family at this time. There is considerable uncertainty over how effective various poll-watching groups, such as NAMFREL, will be in monitoring the election.

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AFP Reorganization

[] DIA, discussed the phantom reorganization of the AFP. In fact, the reorganization has largely been an effort to strengthen General Ver's control even though he will probably step down. The purpose of the reorganization is to offset negative publicity on Marcos' reinstatement of Ver, to placate the United States, and to try to impress Philippine domestic opinion. The changes thus far show that they have served to strengthen Ver's control.

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The much heralded retirement of some overstaying generals was already in the works and, while portrayed as part of the reorganization, is not really an aspect of it. Ver made several changes, including in the PC which General Ramos heads, without consulting Ramos or the reorganization board. Key changes in the military regions involve generals who can get the vote out for Marcos in the upcoming election. Some new appointments such as Ochoco as naval commander, mean that strong Ver loyalists are getting the key positions.

Outlook

General Ver will announce his retirement soon, but will continue to head the National Security Authority and could get another key government position such as the Interior Ministry. He will continue to control the military for

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Marcos. General Ramos may be promoted to a 4th star, serve as Chief of Staff briefly, and then get some other position such as Ambassador to the US, or the USSR. Successors in key positions in the services are likely to be related to Marcos by marriage, including General Pacugulan as Chief of Staff, General Yap as Philippine Army commander, and General Martel as PAF commander. The reorganization will, in fact, have little effect on the AFP ability to conduct counterinsurgency. Next year 29 generals are slated to retire; if 20-30 now overstaying generals are retired, and the 29 are not, it still means the AFP has a serious problem with overstaying officers.

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